



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-057]

Certain Tool Chests and Cabinets from the People's Republic of China: Preliminary

Results of Countervailing Duty Administrative Review; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Zhongshan Geelong Manufacturing Co. Ltd. (Geelong), the sole producer subject to this administrative review of certain tool chests and cabinets (tool chests) from the People's Republic of China (China) received countervailable subsidies during the period of review (POR), September 15, 2017 through December 31, 2018. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

FOR FURTHER INFORMATION CONTACT: Thomas Schauer, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0410.

SUPPLEMENTARY INFORMATION:

Background

On January 24, 2018, Commerce published the countervailing duty (CVD) order on tool chests from China.¹ On February 8, 2019, we published a notice of opportunity to request an administrative review of the *Order* for the POR.² On February 28, 2019, we received timely requests from Geelong³ and Home Depot⁴ to conduct an administrative review of the *Order* with regard to Geelong.⁵ On April 1, 2019, we published a notice of initiation for this administrative review.⁶

Scope of the Order

The scope of the *Order* covers tool chests from China. A full description of the scope of the *Order* is contained in the Preliminary Decision Memorandum.⁷

Methodology

We are conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found

¹ See *Certain Tool Chests and Cabinets from the People's Republic of China: Countervailing Duty Order*, 83 FR 3299 (January 24, 2018) (*Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 84 FR 2816, 2817 (February 8, 2019).

³ See Geelong's Letter, "Administrative Review of the Countervailing Duty Order on Certain Tool Chests and Cabinets from the People's Republic of China: Request for Review," dated February 28, 2019.

⁴ See Home Depot's Letter, "Administrative Review of the Countervailing Duty Order on Certain Tool Chests and Cabinets from the People's Republic of China: Request for Review," dated February 28, 2019.

⁵ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 12200, 12206 (April 1, 2019) (*Initiation Notice*). The parties requested reviews of Geelong, Geelong Sales (MCO) Ltd. (MCO), and Geelong Sales Co. International (HK) Ltd. However, neither of the latter two companies produce subject merchandise and we preliminarily determine that neither of these two companies received any subsidies. See "Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Certain Tool Chests and Cabinets from the People's Republic of China; 2017-2018," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum) at "Attribution of Subsidies." MCO, an affiliate of Geelong located in Macau, exports the subject merchandise Geelong produces to the United States. See Letter, "Administrative Review of the Countervailing Duty Order on Certain Tool Chests and Cabinets from the People's Republic of China: First Supplemental Questionnaire Response," dated May 10, 2019, at Exhibit SQL-1.

⁶ See *Initiation Notice*, 84 FR at 12206.

⁷ See Preliminary Decision Memorandum.

countervailable, we determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁸ For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum. A list of topics included in the Preliminary Decision Memorandum is provided in the appendix to this notice.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://enforcement.trade.gov/frn/index.html>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Results of Review

We preliminarily find that the following net countervailable subsidy rates exist for the sole respondent, Geelong, for the period September 15, 2017 through December 31, 2018:

Company	Subsidy Rate – 2017 (percent <i>ad valorem</i>)	Subsidy Rate – 2018 (percent <i>ad valorem</i>)
Zhongshan Geelong Manufacturing Co. Ltd.	1.27	1.15

Assessment Rates

⁸ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and, section 771(5A) of the Act regarding specificity.

Upon issuance of the final results of this administrative review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, we intend, upon publication of the final results, to instruct CBP to collect cash deposits of estimated CVDs, in the amounts indicated above for Geelong, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We intend to disclose the calculations performed for these preliminary results to the parties within five days after public announcement of the preliminary results in accordance with 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.⁹ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities.¹⁰

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited

⁹ See 19 CFR 351.309(d).

¹⁰ See 19 CFR 351.309(c)(2) and (d)(2).

to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.¹¹ Requests should contain: (1) The party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date. Unless the deadline is extended, pursuant to section 751(a)(3)(A) of the Act, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their case briefs, no later than 120 days after the date of publication of this notice.

Notification to Interested Parties

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: October 3, 2019.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

¹¹ See 19 CFR 351.310(c).

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Diversification of China's Economy
- V. Subsidies Valuation
- VI. Benchmarks and Discount Rates
- VII. Use of Facts Otherwise Available and Application of Adverse Inferences
- VIII. Analysis of Programs
- IX. Conclusion

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